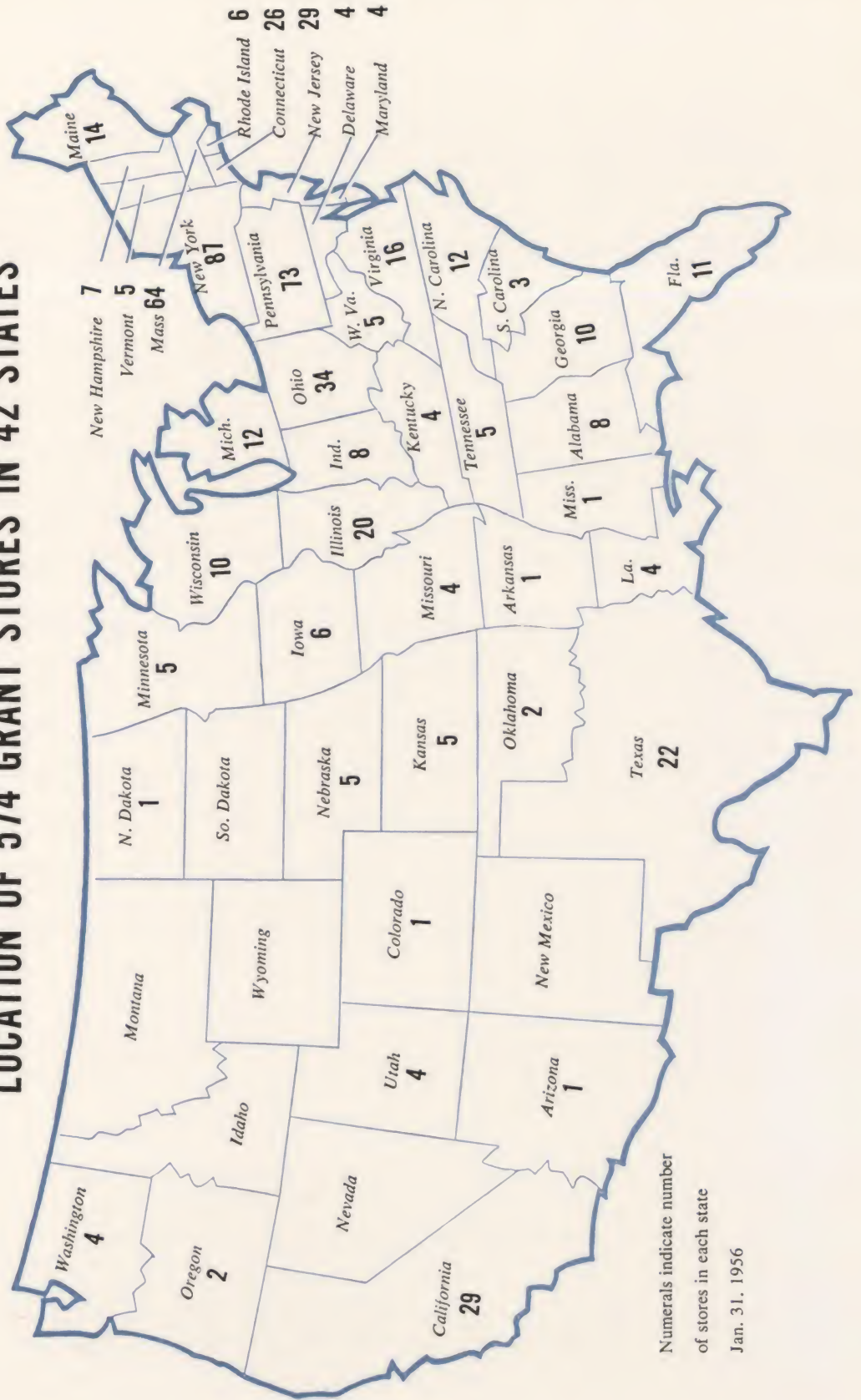


W. T. GRANT COMPANY

Annual Report 1955

BOARDS
96537
G7678r

LOCATION OF 574 GRANT STORES IN 42 STATES



Numerals indicate number of stores in each state

Jan. 31, 1956

W. T. GRANT COMPANY

Founded in 1906 at Lynn, Mass.

EXECUTIVE AND BUYING OFFICES

1441 BROADWAY, NEW YORK 18, N. Y.

directors

WILLIAM T. GRANT,
Chairman

JOHN G. BYLER

JOSEPH W. CHINN

HOWLAND S. DAVIS

RAYMOND H. FOGLER

CLAYTON E. FREEMAN

HERBERT K. GARGES

JOHN M. HANCOCK

WILLIAM L. KLEITZ

J. LUTHER KNIES

LOUIS C. LUSTENBERGER

WARD MELVILLE

EDWARD STALEY

ROBERT R. UPDEGRAFF

WALTER P. ZELLER

officers

WILLIAM T. GRANT.....*Chairman of the Board*

EDWARD STALEY.....*Vice Chairman and President*

LOUIS C. LUSTENBERGER.....*Exec. Vice President*

J. LUTHER KNIES.....*Merchandise Vice President*

GORDON ANDERSON.....*Vice President*

M. F. KETZ.....*Vice President and Comptroller*

WARREN G. FINNAN.....*Treasurer*

CHARLES W. RIVOIRE.....*Secretary*

GEORGE W. MIDDLETON.....*Assistant Comptroller*

E. M. FOLEY.....*Assistant Secretary*

Guaranty Trust Company of New York, Transfer Agent

Bankers Trust Company, New York, N. Y., Registrar



St. Paul, Minnesota

the 1955 story in brief . . . fiscal years ended January 31

	1956	1955
Sales	\$351,848,626	\$317,157,138
Earnings before taxes	\$ 20,395,053	\$ 18,584,710
Provision for Federal income taxes	\$ 10,685,000	\$ 9,975,000
Amount per common share	\$4.35	\$4.09
Cents per sales dollar	3.0¢	3.1¢
Net earnings after taxes	\$ 9,710,053	\$ 8,755,461
Cents per sales dollar	2.8¢	2.8¢
Earnings per common share	\$3.72	\$3.36
Dividends paid per preferred share	\$3.75	\$3.75
Dividends paid per common share	\$1.80	\$1.50
Total dividends paid	\$ 4,970,822	\$ 4,210,765
Earnings retained in the business	\$ 4,739,231	\$ 4,544,696
Depreciation and amortization	\$ 4,581,113	\$ 4,215,288
Merchandise inventories	\$ 60,819,730	\$ 45,676,626
Working capital	\$ 57,124,716	\$ 46,553,306
Fixed assets	\$ 33,759,527	\$ 38,245,012
Total salaries and wages	\$ 59,759,495	\$ 53,461,908
Other employee benefits	\$ 3,636,172	\$ 3,554,382
Total compensation and other benefits	\$ 63,395,667	\$ 57,016,290
Cents per sales dollar	18.0¢	18.0¢
Book value common stock — per share	\$33.00	\$31.07
Number of preferred stockholders	710	716
Number of common stockholders	5,929	5,852

W. T. GRANT COMPANY

1441 Broadway, New York 18, N. Y.

TO THE STOCKHOLDERS:

This is our 49th annual report to stockholders. In addition to these comments, it presents the results for the fiscal year ended January 31, 1956, comparative financial statements, and the report of Ernst & Ernst, independent public accountants appointed by the Board of Directors.

SALES — Sales for the year reached a new all-time high of \$351,848,626, an increase of \$34,691,488, or 10.9% over 1954.

While the amount of this sales increase over a previous year is the largest in our history, it should be noted that it came entirely from new and enlarged stores opened during 1954 and 1955. Identical stores, which are stores that were in operation during the full years of 1954 and 1955, in total missed their 1954 sales by approximately \$200,000 or 0.1%.

The 1955 sales include sales of \$25,185,125 made under the customer installment account plan started in 1946 and now in operation in most of the stores. These sales accounted for 7.2% of total Company sales in 1955.

EARNINGS— Net earnings after taxes for 1955 were \$9,710,053 which, after dividends on the preferred stock, were equivalent to \$3.72 per share of common stock on 2,457,633 shares outstanding at the year end.

For 1954, net earnings were \$8,755,461 or \$3.36 per share of common stock on 2,438,628 shares outstanding at the end of 1954.

The earnings before federal income taxes were \$20,395,053 in 1955, or \$1,810,343 above the previous year's \$18,584,710, and were the highest in the Company's history.

The earnings for both years were computed on the LIFO method of valuing inventories.

TAXES — For the fiscal year 1955, the provision for Federal income taxes was \$10,685,000 which compares with \$9,975,000 for 1954. The 1955 tax provision was equivalent to \$4.35 per share of common stock, which compares with \$4.09 per share in 1954.

DIVIDENDS AND RETAINED EARNINGS — During the year, the regular quarterly dividends totalling \$3.75 per share were paid on the preferred stock. In addition, dividends totalling \$1.80 per share were paid on the common stock, which compares with \$1.50 per share paid in 1954.

After total dividends of \$4,970,822 paid during the fiscal year 1955, net earnings retained for use in the business were \$4,739,231 compared to \$4,544,696 in 1954.

The April 1, 1956 dividend paid on common stock was increased to 50 cents per share from the previous quarterly rate of 45 cents.

FINANCIAL POSITION — Working capital increased \$10,571,410 during 1955, as shown by the following schedule:

	<u>January 31, 1956</u>	<u>January 31, 1955</u>
Total current assets	\$83,247,852	\$69,163,333
Total current liabilities	26,123,136	22,610,027
Working capital	<u>\$57,124,716</u>	<u>\$46,553,306</u>

Working capital reflects the net reduction of \$2,474,000 in the Company's investment in land and buildings and also the reduction of \$3,874,000 in improvements to leased properties, principally accounted for by the sale and leaseback of such improvements at 9 locations under long-term leases. These transactions are in accordance with the Company's policy of limiting investment in fixed assets as much as possible to furniture and fixtures.

Merchandise inventories on hand and in transit at January 31, 1956, totalled \$60,819,730 or \$15,143,104 above last year. While most of the increase is accounted for by new and enlarged stores and sales plans for February, and March which benefits this year from the earlier Easter on April 1, 1956, the inventories were higher than planned and steps have been taken to bring them into line with normal requirements.

CAPITAL PROGRAM — During the year, the Company completed 79 major capital program projects, compared to 51 in the previous year. The 1955 program included the completion and opening of 61 stores in new communities, of which 34 were in park-and-shop and 27 were in down-town locations. In addition, 15 stores were enlarged and reopened on relocated or existing sites and 3 stores were modernized. At end of this report, there will be found a list of the new communities where W. T. Grant stores were opened during the fiscal year.

The cost of the 1955 capital program, for construction and equipment, was approximately \$11,900,000. Of this total, owners repaid or will repay after completion of construction approximately \$4,800,000, so that the net cost of the 1955 capital program to the Company was \$7,100,000 which compares with \$6,300,000 in 1954.

On January 31, 1956, there were 574 stores in operation, including 3 temporarily closed while under construction. A year ago, there were 520 stores, including 3 that were temporarily closed. The net increase of 54 stores is accounted for by the 61 new stores opened in 1955, less 7 stores that were permanently closed.

At the year end, construction had started on 51 projects for 1956 occupancy. This includes 38 new park-and-shop and 2 new down-town stores; 10 existing stores to be enlarged on relocated or existing sites, mostly in new buildings; and a new distribution center in Ft. Wayne, Indiana. Currently, we estimate that the 1956 net capital program costs will approximately equal those of 1955.

PERSONNEL AND ORGANIZATION — At the year end, there were approximately 27,800 employees including part-time people. This compares with 24,600 last year.

Salaries and wages for 1955 amounted to \$59,759,495 which is \$6,297,587 above 1954. In addition, other employee benefits amounted to \$3,636,172, compared to \$3,554,382 in 1954. Included in the other benefits, there was \$1,195,878, contributed by the Company to the retirement plan, compared with \$1,383,414 for 1954; and \$1,809,317, compared with \$1,585,308 for 1954, of social security taxes paid to various state and the federal governments for future employee benefits.

Thus, for 1955, salaries, wages, and other benefits amounted to \$63,395,667 or 11.2% above the \$57,016,290 in 1954. The 1955 amount was equivalent to 18.0 cents of each sales dollar, which is the same as in 1954. During 1955, the Company made better progress in controlling this expense element by procedure simplification and control of pre-opening payrolls at new stores.

During the latter part of 1956, the Company expects to open a new distribution center that is now under construction in Fort Wayne, Indiana. This second warehouse, in addition to the one already operating at Metuchen, New Jersey, is expected to improve the Company's merchandising in its mid-west and southern stores.

In view of the steady expansion program, it is pertinent to note that we are not experiencing unusual difficulty in the recruitment and training of people for future managerial positions.

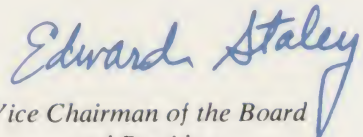
After thirty-one years of fine service with the Company, John G. Byler, Financial Vice President, retired on June 1, 1955 and was elected Executive Director of the Grant Foundation by its Trustees. Mr. Byler will continue to serve as a member of the Company's Board of Directors.

OTHER COMMENTS — We are especially appreciative of the contributions made by our suppliers and our employees, as it was their cooperation that produced the generally satisfactory results for 1955.

We believe that the year 1956, which will be our 50th year, will be a most challenging one and more competitive than 1955 in the retail industry. With the continued cooperation of our suppliers and the fine spirit and loyalty of our employees, we believe 1956 will be another good year for the Company. Our goal continues to be to sell more merchandise to more people, at a reasonable profit; and to maintain a steady program of expansion.



Chairman of the Board



*Vice Chairman of the Board
and President*

April 6, 1956

W. T. GRANT COMPANY

statement of operations

fiscal years ended January 31

	1956	1955
SALES	\$351,848,626	\$317,157,138
Cost of merchandise sold and operating expenses	<u>326,764,354</u>	<u>294,433,836</u>
	<u>\$ 25,084,272</u>	<u>\$ 22,723,302</u>
ADD:		
Interest earned	66,220	152,872
Other income	217,318	206,557
	<u>\$ 283,538</u>	<u>\$ 359,429</u>
	<u>\$ 25,367,810</u>	<u>\$ 23,082,731</u>
DEDUCT:		
Depreciation and amortization	4,581,113	4,215,288
Interest paid	209,577	124,455
Other deductions	182,067	158,278
Provision for federal taxes on income — Note D	10,685,000	9,975,000
	<u>\$ 15,657,757</u>	<u>\$ 14,473,021</u>
	<u>\$ 9,710,053</u>	<u>\$ 8,609,710</u>
Refunds (net) of federal taxes on income for years 1940-1941, under Section 722	—	145,751
NET EARNINGS FOR THE YEAR	<u>\$ 9,710,053</u>	<u>\$ 8,755,461</u>
DEDUCT:		
Cash dividends:		
On 3¾ % Cumulative Preferred Stock: Four quarterly dividends of 93¾¢ each per share	562,506	562,506
On Common Stock: Four quarterly dividends of 37½¢ each per share	—	3,648,259
Four quarterly dividends of 45¢ each per share	<u>4,408,316</u>	<u>—</u>
TOTAL DIVIDENDS	<u>\$ 4,970,822</u>	<u>\$ 4,210,765</u>
EARNINGS FOR YEAR RETAINED FOR USE IN THE BUSINESS	<u>\$ 4,739,231</u>	<u>\$ 4,544,696</u>
ADD:		
Earnings of prior years retained for use in the business	<u>62,124,386</u>	<u>57,579,690</u>
ACCUMULATED EARNINGS RETAINED FOR USE IN THE BUSINESS AT END OF YEAR—Note E	<u>\$ 66,863,617</u>	<u>\$ 62,124,386</u>

(See notes to financial statements.)

W. T. GRANT COMPANY

assets

January 31,

	1956	1955
CURRENT ASSETS		
Cash	\$ 13,452,115	\$ 14,200,527
U. S. Government securities, at redemption value	118,580	173,735
Accounts receivable:		
Customers installment accounts not sold	8,531,873	8,794,241
Equity in customers installment accounts (\$6,341,355 and \$2,984,640, respectively) sold	634,135	298,464
	<u>\$ 9,166,008</u>	<u>\$ 9,092,705</u>
Less allowances	1,459,393	1,227,503
	<u>\$ 7,706,615</u>	<u>\$ 7,865,202</u>
Other accounts receivable, claims, etc.	1,150,812	1,247,243
Total accounts receivable, net	<u>\$ 8,857,427</u>	<u>\$ 9,112,445</u>
Merchandise inventories (including merchandise in transit), principally at LIFO cost, not in excess of market — Note A	<u>60,819,730</u>	<u>45,676,626</u>
TOTAL CURRENT ASSETS	\$ 83,247,852	\$ 69,163,333
OTHER ASSETS		
Investment in Zeller's Limited, at cost—Note B	3,616,036	3,616,036
Cash surrender value of life insurance	2,779,356	2,691,172
Recoverable taxes if retroactive LIFO is not sustained — Note A	1,635,000	1,268,000
Building costs recoverable from landlords	70,456	1,780,510
Sundry receivables and deposits	758,660	377,353
TOTAL OTHER ASSETS	\$ 8,859,508	\$ 9,733,071
COMMON STOCK OF W. T. GRANT COMPANY		
At cost, held for Deferred Contingent Compensation Plan — Note C	158,226	139,106
STORE PROPERTIES, FIXTURES, AND IMPROVEMENTS		
Buildings, at cost	462,936	1,414,794
Furniture and fixtures, at cost	38,473,267	34,988,724
Improvements to leased properties, at cost	15,463,243	21,084,073
	<u>\$ 54,399,446</u>	<u>\$ 57,487,591</u>
Less allowances for depreciation and amortization	21,132,368	21,447,985
	<u>\$ 33,267,078</u>	<u>\$ 36,039,606</u>
Land, at cost	492,449	2,205,406
TOTAL STORE PROPERTIES, FIXTURES, AND IMPROVEMENTS	\$ 33,759,527	\$ 38,245,012
DEFERRED CHARGES		
Prepaid taxes, rents and insurance, supplies, etc.	2,190,243	1,937,721
	<u>\$128,215,356</u>	<u>\$119,218,243</u>

STATEMENT OF FINANCIAL POSITION

liabilities, reserves, and capital

January 31,

	<u>1956</u>	<u>1955</u>
CURRENT LIABILITIES		
Accounts payable and accrued expenses . . .	\$ 23,020,193	\$ 19,079,575
Federal taxes on income — estimated, less U. S. Government securities amounting to \$8,951,539 and \$8,977,556, respectively— Note D	3,102,943	3,530,452
TOTAL CURRENT LIABILITIES	\$ 26,123,136	\$ 22,610,027
RESERVES		
For reduction in inventory valuation less tax refunds, if retroactive LIFO is sustained — Note A	3,214,118	3,214,118
For uninsured risks	1,500,000	1,500,000
For repainting stores	916,496	848,137
For deferred contingent compensation— Note C	195,815	141,710
TOTAL RESERVES	\$ 5,826,429	\$ 5,703,965
CAPITAL		
Capital Stock:		
Cumulative Preferred — \$100 par value — Note E:		
Authorized 250,000 shares		
Issued 150,000 shares of 3¾ % series	15,000,000	15,000,000
Common — \$5 par value — Notes B, C, and F:		
Authorized 3,000,000 shares		
Issued 2,463,533 and 2,444,028 shares, respectively	12,317,665	12,220,140
Capital paid-in in excess of par value of shares issued	1,878,418	1,391,112
Amounts paid by officers and employees under contracts for 80,780 and 83,125 shares, respectively, of unissued Com- mon Stock	206,094	168,613
	\$ 14,402,177	\$ 13,779,865
Earnings retained for use in the business — Note E:		
Earned up to and including November 26, 1937, by predecessor companies		
	15,319,289	15,319,289
Earned subsequently to November 26, 1937		
	51,544,325	46,805,097
	\$ 66,863,614	\$ 62,124,386
TOTAL CAPITAL	\$ 96,265,791	\$ 90,904,251
	\$128,215,356	\$119,218,243

(See notes to financial statements.)

NOTE A — The financial statements reflect adoption as of January 31, 1950 of the LIFO method of determining cost of inventories. The Company's claim to the right to use LIFO retroactively to 1941 is still pending, and the accompanying statement of financial position includes the amount of \$1,635,000 for taxes recoverable by the Company if retroactive LIFO is not sustained, and the reserve of \$3,214,118 for reduction in inventory valuation, less tax refunds, if retroactive LIFO is sustained. The balances in both of these accounts result from the accounting adjustments which reflect the adoption of LIFO as of January 31, 1950. The balance in the account for taxes recoverable was increased in October 1955 by \$367,000 as a result of payment of the liability (previously treated as a reduction of this account) for additional taxes for 1949 attributable to the adoption of LIFO as of January 31, 1950. Except for this change, these balances have remained unchanged, as adjustments for 1950 to 1955, inclusive, which would be applicable only in the event that retroactive LIFO is sustained, have been relatively immaterial. A more detailed explanation appeared in the notes to financial statements in the report for the fiscal year ended January 31, 1951.

NOTE B — The investment in Zeller's Limited consists of 190,500 shares of common stock. The Company has agreed to purchase between January 1, 1956 and February 1, 1960, from Walter P. Zeller and his associates an additional 184,500 shares at \$18.25 (Canadian) per share. The sellers may elect to receive, in lieu of cash, presently authorized but unissued shares of the Grant Company's Common Stock at the ratio of 1 share for each 2 shares of Zeller's common stock (representing a maximum of 92,250 shares of Grant Company's Common Stock). Inasmuch as the 184,500 shares are in escrow with the voting rights vested in the Company, it has voting control of 50% of Zeller's common stock. During 1955, the Company received \$193,641 in dividends on its investment in Zeller's common stock.

NOTE C — The amount shown for the reserve for deferred contingent compensation at January 31, 1956 represents (a) to the extent that allotments are contingently distributable in Common Stock of the Company, the cost to the Company of 5,900 shares of its Common Stock held for this purpose, plus (b) provision for 819 additional shares at the January 31, 1956 market price, plus (c) the total of all participants' contingent cash allotments, which for each currently employed participant, is less than the year end market price of one full share. For the fiscal year 1955, the amount charged to earnings for this purpose was \$55,154.

NOTE D — In accordance with the practice followed since inauguration in 1946, gross profits on sales on the installment basis are reflected in the financial statements of the Company when the sales are made, whereas for federal income tax purposes, such gross profits are reported as income as collections are received. At January 31, 1956, approximately \$1,867,000 for deferred federal taxes on installment sales is included in current liabilities.

NOTE E— The 3¾ % Cumulative Preferred Stock is redeemable at the Company's option in whole or in part at \$100 (par value) per share plus accrued dividends to date of redemption.

So long as any of the Cumulative Preferred Stock remains outstanding, there are certain restrictions with respect to payment of dividends (other than stock dividends) on, and purchase of, Common Stock. At January 31, 1956, approximately \$57,000,000 of earnings retained for use in the business was free of such restrictions.

NOTE F— Under the Employees Stock Purchase Plan, as amended, there was authorized the issuance of not more than 293,935 shares of unissued Common Stock to be offered to employees under the Plan.

The total offerings made to January 31, 1956 covered 175,125 shares, net after cancellations due to terminations of employment, leaving 118,810 shares available for future offerings.

At January 31, 1956, of the 175,125 shares offered, the Company had entered into contracts for the sales, on a deferred payment basis, of 163,205 shares at approximate market prices at dates of contracts, aggregating \$4,921,180, and the remaining 11,920 shares were subject to acceptance within two years after the offerings.

At January 31, 1956, 82,425 shares had been fully paid for and issued and the unpaid balance for the remaining 80,780 shares amounted to \$2,401,346.

NOTE G— At January 31, 1956, the Company was lessee of real property under 601 leases expiring subsequently to January 31, 1959, at aggregate annual minimum rentals of approximately \$12,771,000 (exclusive of taxes and other expenses payable under terms of certain of the leases). This amount includes approximately \$5,019,000 minimum annual rentals under 200 leases which were on a percentage of sales basis with specified minimum annual rentals, but does not include any amount for 18 leases which were on a percentage of sales basis without any specified minimum annual rentals.

auditor's report

TO THE BOARD OF DIRECTORS,
W. T. GRANT COMPANY,
NEW YORK, N. Y.

We have examined the statement of financial position of W. T. Grant Company as of January 31, 1956, and the related statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of W. T. Grant Company at January 31, 1956, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ERNST & ERNST

New York, N. Y., March 29, 1956

1951—SOURCE AND DISPOSITION OF FUNDS—1955

(amounts in 000's)

where funds came from

	1951	1952	1953	1954	1955	Total 5 Years
SALES	\$268,333	\$283,240	\$299,768	\$317,157	\$351,849	\$1,520,347
LESS:						
Merchandise costs, supplies, outside services, etc.	188,001	198,426	209,170	220,632	244,741	1,060,970
Wages and salaries, including miscellaneous benefits	42,443	45,709	49,912	54,048	60,391	252,503
Retirement plan contributions	1,369	1,490	1,388	1,383	1,196	6,826
Social security taxes on payrolls	1,306	1,295	1,374	1,585	1,809	7,369
Rents to landlords less rentals on subleases	9,435	10,067	11,073	12,359	13,737	56,671
Federal, state, and local taxes, excluding social security taxes	15,309	15,322	15,066	14,180	15,684	75,561
Depreciation and amortization	2,953	3,361	3,740	4,215	4,581	18,850
NET INCOME FROM OPERATIONS	\$ 7,517	\$ 7,570	\$ 8,045	\$ 8,755	\$ 9,710	\$ 41,597
Add charges against income which involve no cash outlay:						
Depreciation and amortization	2,953	3,361	3,740	4,215	4,581	18,850
Net increase in reserves	201	175	41	101	122	640
From sale of common stock to employees	325	355	432	518	622	2,252
From sales of land and buildings	356	2,920	242	1,978	2,474	7,970
Recovery of building costs from landlords	—	1,776	—	—	1,710	3,486
From sale of improvements to leased properties	—	—	—	—	3,874	3,874
Funds taken from working capital	149	—	1,121	—	—	1,270
TOTAL FUNDS PROVIDED	<u>\$ 11,501</u>	<u>\$ 16,157</u>	<u>\$ 13,621</u>	<u>\$ 15,567</u>	<u>\$ 23,093</u>	<u>\$ 79,939</u>

how funds were used

1951 **1952** **1953** **1954** **1955** **Total 5 Years**

For dividends to stockholders	\$ 4,150	\$ 4,165	\$ 4,188	\$ 4,211	\$ 4,971	\$ 21,685
For investment in furniture and fixtures	4,906	4,479	5,665	5,829	6,443	27,322
For investment in improvements to leased properties	1,356	1,086	1,303	420	—	4,165
For building costs recoverable from landlords	301	—	544	284	—	1,129
For investment in Zeller's Limited	—	3,559	—	57	—	3,616
To reduce mortgages payable	571	1,186	1,573	—	—	3,330
For purchase of common stock for deferred compensation plan	—	—	61	54	19	134
For increases in sundry accounts — net	217	167	287	115	1,089	1,875
Funds added to working capital	—	1,515	—	4,597	10,571	16,683
TOTAL FUNDS USED	<u>\$ 11,501</u>	<u>\$ 16,157</u>	<u>\$ 13,621</u>	<u>\$ 15,567</u>	<u>\$ 23,093</u>	<u>\$ 79,939</u>

comparative statement of operations

<i>(fiscal year which ends January 31 of subsequent calendar year)</i>	1955	1954	1953	1952	1951
SALES	\$351,848,626	\$317,157,138	\$299,767,741	\$283,240,067	\$268,332,908
LESS:					
Cost of merchandise sold and operating expenses	326,764,354	294,433,836	277,268,038	261,025,974	245,979,059
	<u>25,084,272</u>	<u>22,723,302</u>	<u>22,499,703</u>	<u>22,214,093</u>	<u>22,353,849</u>
ADD:					
Interest earned	66,220	152,872	249,762	170,381	124,248
Other income	217,318	206,557	239,031	123,595	24,753
	<u>25,367,810</u>	<u>23,082,731</u>	<u>22,988,496</u>	<u>22,508,069</u>	<u>22,502,850</u>
DEDUCT:					
Depreciation and amortization	4,581,113	4,215,288	3,739,806	3,361,339	2,953,494
Interest paid	209,577	124,455	154,197	108,345	165,353
Other deductions	182,067	158,278	174,710	143,059	147,456
Provision for federal taxes on income	10,685,000	9,975,000	10,035,000	10,090,000	10,320,000
Provision for federal excess profits taxes	—	—	940,000	1,235,000	1,400,000
	<u>9,710,053</u>	<u>8,609,710</u>	<u>7,944,783</u>	<u>7,570,326</u>	<u>7,516,547</u>
Refund (net) of federal taxes on income, under Section 722	—	145,751	99,767	—	—
		<u>8,755,461</u>	<u>8,044,550</u>	<u>7,570,326</u>	<u>7,516,547</u>
NET EARNINGS FOR THE YEAR	9,710,053	8,755,461	8,044,550	7,570,326	7,516,547
DEDUCT:					
Preferred dividends	562,506	562,506	562,506	562,506	562,506
Common dividends	4,408,316	3,648,259	3,625,258	3,602,205	3,586,972
ADD:					
Miscellaneous adjustments	—	—	23,505	—	—
Earnings of prior years retained in the business	62,124,386	57,579,690	53,699,399	50,293,784	46,926,715
Accumulated earnings retained, at end of year	<u>\$ 66,863,617</u>	<u>\$ 62,124,386</u>	<u>\$ 57,579,690</u>	<u>\$ 53,699,399</u>	<u>\$ 50,293,784</u>

	1955	1954	1953	1952	1951
ASSETS:					
Cash	\$ 13,452,115	\$ 14,200,527	\$ 15,636,634	\$ 16,154,702	\$ 14,342,503
United States Government securities	118,580	173,735	234,078	291,371	295,393
Accounts receivable — customers installment accounts (net)	7,706,615	7,865,202	8,172,158	6,797,825	5,754,753
Accounts receivable — other	1,150,812	1,247,243	1,132,624	1,067,069	2,329,148
Merchandise inventories	60,819,730	45,676,626	39,564,481	38,294,791	34,807,085
TOTAL CURRENT ASSETS	<u>83,247,852</u>	<u>69,163,333</u>	<u>64,739,975</u>	<u>62,605,758</u>	<u>57,528,882</u>
Investment in Zeller's Limited, at cost	3,616,036	3,616,036	3,559,455	3,559,455	—
Cash surrender value of life insurance	2,779,356	2,691,172	2,604,069	2,513,236	2,426,409
Recoverable taxes if retroactive LIFO is not sustained	1,635,000	1,268,000	1,268,000	1,268,000	1,268,000
Miscellaneous investments, employees' accounts receivable, building costs recoverable from landlords, etc.	829,116	2,157,863	1,893,035	1,283,396	3,045,160
Common stock of W. T. Grant Company held for deferred contingent compensation plan, at cost	158,226	139,106	84,636	—	—
Land and buildings, depreciated	882,457	3,384,053	5,417,925	5,810,430	8,867,199
Furniture and fixtures, depreciated	25,033,807	22,221,137	19,538,832	16,541,549	14,352,075
Improvements to leased properties (net)	7,843,263	12,639,822	13,232,650	12,851,230	12,699,519
Deferred charges	2,190,243	1,937,721	1,890,529	1,760,581	1,694,347
TOTAL ASSETS	<u>\$128,215,356</u>	<u>\$119,218,243</u>	<u>\$114,229,106</u>	<u>\$108,193,635</u>	<u>\$101,881,591</u>
LIABILITIES, RESERVES, AND CAPITAL:					
Accounts payable and accrued expenses	\$ 23,020,193	\$ 19,079,575	\$ 20,021,511	\$ 17,680,984	\$ 15,051,647
Real estate mortgages — current	—	—	—	235,766	276,866
Federal taxes on income — estimated (less U. S. Government securities)	3,102,943	3,530,452	2,762,253	1,611,880	637,951
TOTAL CURRENT LIABILITIES:	<u>26,123,136</u>	<u>22,610,027</u>	<u>22,783,764</u>	<u>19,528,630</u>	<u>15,966,464</u>
Real estate mortgages — deferred	—	—	—	1,573,100	2,758,865
Reserve for inventory reduction, less tax refunds, if retroactive LIFO is sustained	3,214,118	3,214,118	3,214,118	3,214,118	3,214,118
Reserve for uninsured risks	1,500,000	1,500,000	1,500,000	1,500,000	1,366,616
Reserve for repainting stores	916,496	848,137	793,937	817,905	806,183
Reserve for deferred contingent compensation	195,815	141,710	95,160	29,988	—
CAPITAL:					
Preferred 3¾ % cumulative \$100 par value	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Common	14,402,177	13,779,865	13,262,437	12,830,495	12,475,561
Earnings retained for use in the business	66,863,614	62,124,386	57,579,690	53,699,399	50,293,784
TOTAL LIABILITIES, RESERVES, AND CAPITAL	<u>\$128,215,356</u>	<u>\$119,218,243</u>	<u>\$114,229,106</u>	<u>\$108,193,635</u>	<u>\$101,881,591</u>

NEW W. T. GRANT STORES IN 1955

During the year, stores were opened in these 61 new communities:

park and shop locations

Akron, Ohio
(Fairlawn Plaza)

Appleton, Wisc.

Baltimore, Md.
(Loch Raven)

Bridgeville, Pa.

Buffalo, N. Y.
(Falls Blvd.)

Canton, Ohio
(Canton Plaza)

Canton, Ohio
(McKinley)

Columbus, Ohio
(Great Western)

Concord, Calif.

Dallas, Texas
(Oakcliff)

Decatur, Ga.

Erie, Pa.
(Liberty)

Freeport, Texas

Greensburg, Pa.

Hamden, Conn.

Houston, Texas
(Merchants Park)

Houston, Texas
(Lakewood)

Irondequoit, N. Y.

Lakewood, Calif.

Miami, Fla.
(Biscayne Blvd.)

Modesto, Calif.

National City, Calif.

Orlando, Fla.

Phoenix, Ariz.

Redwood City, Calif.

St. Matthews, Ky.

Salt Lake City, Utah
(Sugarhouse)

San Diego, Calif.
(Clairemont)

Santa Fe Springs, Calif.

Santa Rosa, Calif.

Spokane, Wash.
(North Town)

Syracuse, N. Y.
(Northern Lights)

Toledo, Ohio
(Glass Mile)

Tracktowne, Pa.

downtown locations

Bristol, Conn.

Chico, Calif.

Cleveland, Ohio
(Euclid)

Dearborn, Mich.

Elmhurst, Ill.

Eugene, Ore.

Ft. Pierce, Fla.

Freeport, Ill.

Greenville, Mich.

Hayward, Calif.

Kansas City, Kan.

Lexington, N. C.

Louisville, Ky.

Marion, Ill.

Martinsville, Va.

Massena, N. Y.

McCook, Nebr.

Miami, Fla.
(Allapatah)

Miami, Okla.

Moses Lake, Wash.

Mt. Pleasant, Mich.

Pittsburgh, Pa.

Prichard, Ala.

Salem, Ore.

Santa Ana, Calif.

Tuscaloosa, Ala.

Yakima, Wash.

Toledo, Ohio



MORE PARK - AND - SHOP STORES COMING . . .

In 1955 the majority of new W. T. Grant stores opened were in park-and-shop communities.

Our first store of this type was opened in Buffalo (Amherst), N. Y. in 1941. At the end of 1955 the company was operating 61 stores in park-and-shop centers from coast to coast.

It is planned to continue our emphasis on park-and-shop stores in 1956.

San Diego, Calif.



W. T. GRANT CO., 1441 BROADWAY, NEW YORK, N. Y.